

Amos Kendall to Andrew Jackson, March 20, 1833, from Correspondence of Andrew Jackson. Edited by John Spencer Bassett.

AMOS KENDALL TO JACKSON.1

1 Amos Kendall was at this time fourth auditor of the Treasury.

Washington, March 20, 1833.

Dear Sir, I duly received your note of the 18th inst. in which you do me the honor to request my opinion upon certain points connected with the public revenue and the Bank of the United States.

“1. The propriety of agreeing to the rechartering of the present Bank of the United States under any circumstances.”

I entirely concur with you in the opinion, that it ought not under any circumstances to be rechartered. Its abuses and corruptions are too notorious and too flagrant to entitle it to the least favor, and much less to a renewal of its privileges and immunities. But if its management had been unexceptionable, the power it concentrates, the encroachments it covers on the rights of the states and its incompatibility with the constitution, constitute insurmountable objections.

“2. The establishment of a new Bank.”

“3. The disposition of the public deposits now in Bank.”

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“4. The establishment of a system for the deposit of the public funds and the disposition of them and manner of distribution.”

These three points I propose to consider together.

The conduct of the managers of the present Bank; their interference with the payment of the public debt; the subterfuges and falsehoods resorted to by them to palliate their own illegal conduct; their base attempt to make the government responsible for their acts; their notorious corruption of the press and of public men; the part taken by them in the political conflicts of the country; the extravagant and mischievous extension of their loans, particularly in the West, prior to the late presidential election, and the character of the debts there contracted; the exclusion of the government directors from all committees and consequently from all participation in the principal business of the Bank; constitute an irresistible mass of evidence proving those who control the institution to be destitute of just principle, of prudence and truth, and consequently unworthy to be trusted with the money of the people. At the commencement of the late session of Congress, you expressed doubts of the safety of the public deposits in their hands; and so far from being removed, those doubts must have been strengthened and confirmed by developments since made.

A few days ago I took the liberty of submitting to the Secretary of the Treasury somewhat at large, my views on this and other points, a copy of which I send herewith for your perusal. I will only add on this point, that if the people of the United States are so corrupt or deluded, that they will not sustain their government in taking the public money out of the hands of an institution proved by indubitable evidence to be guilty of almost every crime which a Bank can commit, they are prepared for the yoke of a master. But we have no right, notwithstanding the resolution of the House of Representatives, to distrust the purity and intelligence of the people. If, however, I knew that the measure would lead to a doubtful conflict, I would take the public deposits out of that Bank. It is better to fail in an

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attempt to put down corruption and preserve the purity of our institutions, than enjoy ease and office under a heartless Bank government.

The more I see of the present Bank, the less I like a national Bank of any sort. It impairs the morals of our people, corrupts our statesmen and is dangerous to liberty. If it can be effected, therefore, I would prefer the employment of the state institutions in the service of the Treasury to the reestablishment of any national Bank. I have great confidence, that, through the agency of a few state banks, the revenue may be collected, the money transferred and every necessary aid afforded to the Treasury as cheaply and as safely as by the present bank of the United States. Entertaining this belief, I suggest the following outline of the policy which I think would at this moment most redound to the interest of the country and the honor and strength of the administration:

1. That steps be immediately taken to ascertain what state banks are best managed, most safe and most willing to aid the government in effecting its views and policy; and that such an understanding be formed between them as will produce in the collection and distribution of the public revenue the same beneficial results as are now produced by the Bank of the United States and Branches.
2. That as soon as an arrangement can be matured with a few Banks at the most important points the Collectors and others receiving public moneys be directed to deposit them in the selected Banks.
3. That the Commissioners of Loans be forthwith directed to deposit to the credit of the Treasurer all moneys set apart for the payment of the public debt and not now applied, forward their amounts and Books to the Treasury Department, and that notice be given that the public debt will hereafter be paid only at the Treasury.
4. That the public money now in the Bank of the United States be drawn upon by the usual warrants of the Treasury for the ordinary expenditures of the government and the payment

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of the public debt until it be exhausted, before any warrant shall be drawn on the new deposit in the state Banks.

5. That all public officers be instructed to transfer their amounts to the state banks when they shall receive the first warrants on those institutions.

6. That there be an understanding with the state banks employed by the government, that they shall extend all reasonable and safe indulgence to the other state banks and such accommodations to the debtors of the government as necessity and sound policy may, from time to time, require.

Perhaps it would be impossible altogether to prevent some degree of jealousy among those state banks which may not be employed by the government; but by a liberal policy it can be allayed. In places where large masses of public revenue are collected, it might be politic to employ more than one Bank; and if these pursue a policy towards the rest which would make the public favor in some degree a common benefit, little or no complaint will be heard.

If, as I verily believe is practicable, such a system were organized and put in successful operation, it would prove to demonstration, that the Bank of the United States is not a necessary means of executing the delegated powers of this government and entirely overthrow the only argument upon which the constitutionality of the institution is maintained.

I look upon this as a critical moment. Upon the determination at which you and your cabinet shall now arrive, depend, in my opinion, the character of this government for years to come. A new scheme to govern the American people by fraud and corruption, has been matured. The means of execution are the Bank, the Public lands, an overflowing Treasury and Internal Improvements. The projectors can do nothing but arrange their plans and marshal their forces while you hold the veto power. But they look beyond your term of

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service and expect to elect as your successor some one and any one who will agree to be their creature and instrument. To you, sir, the friends of a good and pure government look to settle the remaining great questions of national policy and strike from the hands of corruption its means to do mischief. The most effectual blow which can now be struck is, by a removal of the public deposits, to cripple the Bank of the United States and deprive the conspirators of the aid which they expect from its money and power. By one act you would weaken if not destroy a powerful enemy and raise up powerful friends; the Bank managers would have full employment in maintaining their own defences instead of affording the administration any annoyance; and I doubt whether their utmost exertions could save the institution from a sudden ruin. Deprived of this powerful auxiliary, I think the other weapons of the corrupt league might easily be parried or turned against them.

The public mind is now completely at a stand. The events of the last session of Congress have thrown it into a state of hesitation and doubt in relation to the future course of the administration and arrangement of parties. Men do not know where to find their political principles and friends, and the pure men of the country are watching the course of the administration with intense anxiety. If the Bank, that great enemy of republicanism, now so completely within your power, shall not only be spared but continue to be armed from the Treasury with means to destroy those to whom we look for support, they will abandon the contest in despair, satisfied that the administration is wanting either in the courage or in the good faith to support its supporters. They will justly conclude, that to contend further with an institution, which, though proved corrupt to the core and its mortal enemy, the administration is determined to foster, would not only be unavailing but an act of folly; and they will settle down in the painful conviction, that after thwarting all your efforts for the public good during the current four years, it will elect your successor, receive a new charter and be forever thereafter the controlling power in this nation. But if the future course of the administration be distinctly marked out; if the first blow shall be to cripple the Bank; and if it be followed up by an exposure of the corruptions of Mr. Clay's land bill and the abandonment of all principle in the recent coalition of two desperate leaders

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and its first acts, the true men of the country will rally around the administration with new enthusiasm, and it will find in Congress and among the people a strength and a power which the combined factions will find it impossible to withstand. All the vital questions of national policy may then be settled during your continuance in office; and, by depriving ambitious men of the means of corruption, you will relieve the country from its greatest dangers and bequeath to your grateful fellow citizens a long period of happiness and prosperity.

I pray you to excuse the freedom with which I write. I should not have felt satisfied with myself if I were to do less than give you my convictions of the importance of the present crisis. Having done so, I resign myself to any course which may be deemed best, careless of its consequences to my own interests or hopes.

With the highest respect

Your Obt. Servt.